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National Home Center News®

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Lindsley halves chain into leaner package

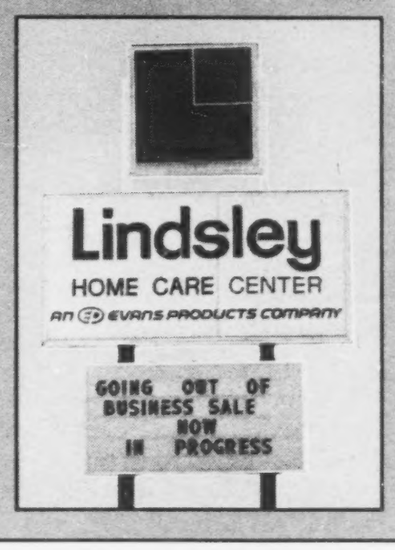
By Donald Longo
NHCN staff editor

MIAMI BEACH — Lindsley began closing 23 of its 43 Florida home improvement stores last month, part of its efforts to become a more streamlined operation with a vastly altered merchandising strategy.

The Evans Products subsidiary, which had been operating under the constraints of its parent's Chapter 11 filing for more than 18 months, will be left with 19 stores on Florida's southeast coast and one in Charlotte Harbor in southwest Florida.

Sources familiar with the chain said that Lindsley appears to be closing its unprofitable stores and consolidating the remainder into a more profitable,

(Continued on page 62)



Handyman may shut units unless chain finds buyer

By an NHCN staff editor

SAN DIEGO — Fifteen months after going public, Handyman here announced it would close its 53 California and Arizona stores by year-end unless the chain is sold.

The surprise announcement Sept. 25 was driven by Handyman's majority stockholder, Edison Brothers Stores, which intends to sell off its interest. Edison, the former owner of Handyman, retains an approximate 30% stake in Handyman's 2.6 million outstanding shares, according to a senior vp for Shearson Lehman Brothers, the New York investment firm designated to make the sale.

(Continued on page 62)

Handyman execs on AMEX floor in July 1985, celebrated their firm's new life as a public company separate from former parent, Edison Brothers. Today, they are facing the pending sale of their company. From left to right: Alan D. Miller, cfo; Harvey W. Rosen, president; and William E. Tilburg, exec vp. Courtesy AMEX

Builderama's owner sells chain to better compete with 'Big Boys'

Don Kole

By Laura Liebeck
NHCN staff editor

SAVANNAH, Ga.—"The home center game is getting to be a game of bigness. I felt an inadequacy in financial clout to compete with the big fellows."

So explained Donald Kole, who on Sept. 23 sold his seven-unit Builderama chain here to Wiener Enterprises, the New Orleans, La.-based division of Ward-White USA, for an undisclosed sum. The deal was the culmination of a six-month-long effort by Kole to sell all of his stock in the operation.

Builderama, which was founded by Kole's father-in-law, Samuel Robinson, in 1943, had sales last year of $23 million from four retail outlets and two contractor yards. Kole said he expects to post sales this year of between $28 million and $30 million.

Kole said the financial back-

(Continued on page 61)

Sentry members aid Worthington in Ch. 11

By Gary S. Ruderman
NHCN staff editor

MENTOR, Ohio — The effects of the financial travails and Sept. 24 bankruptcy filing by Geo. Worthington Co. on Sentry Hardware, the national marketing group to which it belongs, were minimized by the help Worthington received from Sentry's other distributor-members during the period it couldn't get merchandise.

Ron Pink, the managing director of the Des Plaines, Ill., Sentry, said that an unspecified number of dealers previously supplied by Worthington have "unquestionably" switched wholesalers in recent months. However, Pink felt that the Chapter 11 filing will probably strengthen its

(Continued on page 61)

Proposed tariff, strike throw lumber market into frenzy

By Milford Prewitt
NHCN staff editor

NATIONAL REPORT—The likelihood of a tariff on Canadian lumber and a two-month-old mill workers strike in British Columbia have lumber buyers following a "wait-and-see" buying attitude.

The effect has produced a highly volatile market, with drops in mill orders, unseasonably high prices and disappearance of certain Canadian products from the pipeline.

An 11th-hour proposal to thwart a tariff was submitted by the Canadian forest products producers Sept. 30 to the United States Trade Representative (USTR). But in an Oct. 2 briefing, the Coalition for Fair Lumber Imports (CFLI) rejected the Canadians' plans and pressed for the enactment of a 27% to 32% countervailing duty on Canadian lumber.

The International Trade Administration (ITA) was expected to announce a tariff on Oct. 9. It has until Oct. 16 to make a decision.

Industry sources said the Canadian plan called for the implementation of administrative and manufacturing changes that would raise Canadian stumpage prices 10%.

The differences between American and Canadian stumpage prices have been the root cause of the fervor to establish a tariff. The CFLI argues that the Canadian government subsidizes its forest products industry, creating a noncompetitive stumpage pricing system that can harvest trees that are several hundred dollars per board foot less than American bids.

The angst fueled by the proposed tariff on Canadian lumber and the unexpectedly long Canadian workers strike have influenced lumber trading, supply levels and pricing, especially on the East Coast.

Hawk Furman, president of Boston-based Furman Lumber, a major softwood distributor, said the strike has kept 30 million bd. ft. of lumber off the market daily and has dried up border reload centers.

Stephen Sabbeth, president of Sabbeth Industries, a softwood and specialty wood products wholesaler in Deer Park, N.Y., said his customers are extremely skittish.

Sabbeth said the situation has created "a ripple effect

(Continued on page 16)

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Canada's Beaver Lumber aims to win the West—Page 21
Franchising key to Beaver strategy—Page 28

Decorator strategies bring paneling back to life—Page 34
New panel group spreads the word—Page 36

NEWSBREAKS

SCOTTY'S PUTS PLANT ON BLOCK: The Florida chain will sell its 22-month-old manufacturing plant in Winter Haven to redeploy assets into its retail business.

GRACE CUTS CORPORATE STAFF: W.R. Grace accelerated its restructuring plans and will eliminate more than 200 jobs from its corporate headquarters. Early retirement and other reductions in payroll will result in a $5 million nonrecurring charge but will reduce corporate overhead by $25 million by 1987.

INDUSTRY UPDATE

Payless buys Knox for $28M

KANSAS CITY, Mo. — Payless Cashways, the 172-unit retailer headquartered here, is paying $28 million for Knox Lumber, St. Paul, Minn., according to an Oct.2 10-Q filing with the Securities and Exchange Commission (SEC).

The Payless acquisition of the 10-unit chain, which will be financed with existing cash, according to the SEC document, should be completed on schedule by Oct. 24.

Yard King opens 2nd Fla. unit

POMPANO BEACH, Fla. — Yard King Warehouse, the single-unit lawn, garden and outdoor power equipment retailer based here, planned an Oct. 17 grand opening for its second unit, a 31,000-sq.-ft. store that will serve as prototype for the budding chain.

Located in North Lauderdale, at the intersection of State Road 7 and McNab Avenue, the new store is nearly 8,000 sq. ft. larger than the company's first unit, which is situated in Plantation, Fla. Its 17,000 sq. ft. of interior sales space holds approximately 7,000 stock keeping units worth about $600,000.

A third Yard King Warehouse will open in December in an upscale shopping center called the Kendall Town and Country Mall, southwest of Miami.

Rickel liable in singer's death

BROOKLYN, N.Y. — Rickel Home Centers, and its parent, Supermarkets General, have been assessed one of the largest fines in the industry's history for Rickel's involvement in the 1981 death of songwriter Harry Chapin.

On Oct. 6 a federal court here awarded Chapin's family $7.2 million for his death that resulted from his car colliding with a Rickel truck on the Long Island Expressway and bursting into flames on July 16, 1981. The court found Rickel and Supermarkets General 60% liable.

Rickel's attorneys, who during the trial depicted Chapin as a faltering artist with little future earnings potential who gave much of his income away to charity, indicated they would not appeal the award.

Hancock moves to new locale

CASCO, Me.— Hancock Lumber will relieve congestion in its smallest store in Kennebunk, Me., by moving to a new site, further along Route 1 on Dec. 6.

The move will help the company boost both contractor and homeowner sales at Kennebunk from $2 million to $4 million a year, according to Tom Hancock, executive vp at the six-unit company.

The new store, located in a former Mobile Home warehouse, will have a 6,000-sq.-ft. retail showroom and a 30,000-sq.-ft. warehouse.

O-C consolidates sales force

TOLEDO, Ohio — Owens-Corning's restructuring effort will include consolidating the roofing, ceiling and insulation sales force.

Joe Doherty, vp communications, said it was "too early to speculate" on whether O-C will need to lay workers off or close parts of its business, most specifically its wholesaling division.

Shareholders will vote on the company's recapitalization program during the week of Oct. 27 or Nov. 3.

Industry issues bounce back

NEW YORK — Industry issues bounced back from the beating they took during the early September market plunge. For the two week period ended Oct. 3, 29 stocks gained in price, 22 declined and 5 were unchanged.

Handyman, the San Diego chain, was the period's biggest gainer, climbing 47.9% to $44.75. The stock price gain coincided with the company's announcement of its intent to sell the 53-store chain *(see story, page 1)*.

Other retail gainers were Standard Brands Paint, up 22.5% to $25.88, and Erb Lumber, up 18.9% to $15.75.

The leading price loser was Diamond Lumber's parent, Michigan General, which declined 20% to close at $2.00.

(See financial table, page 60).

29 Gainers

5 Unchanged

22 Losers

If you spot home center industry news, call the *NHCN* NEWS HOTLINE:

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Available throughout the U.S., except New York State and Alaska 212-371-9400, 9-5:30 (E.S.T.)

Five years after going private Fred Meyer plans stock offering

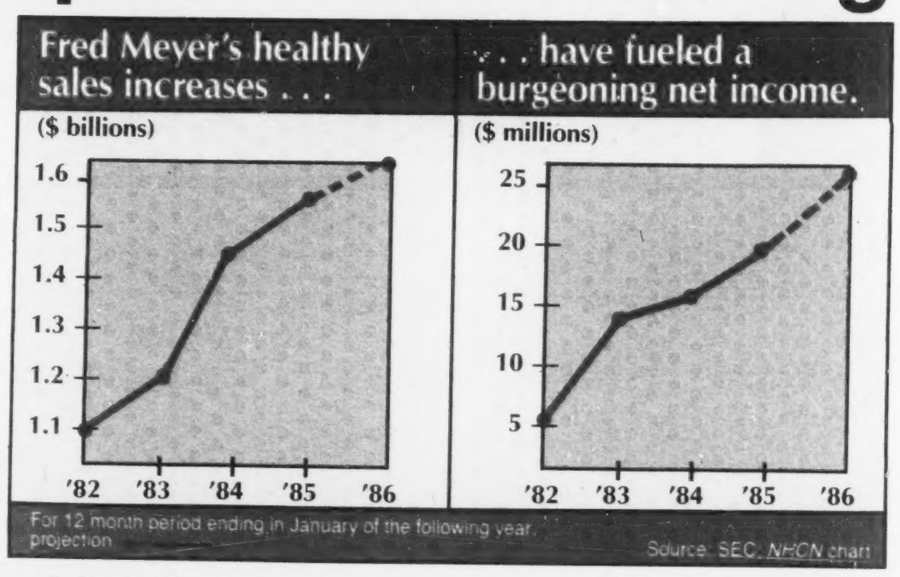
By Phillip M. Perry
NHCN staff editor

PORTLAND, Ore. — Fred Meyer, the $1.6 billion chain of 93 general stores in the Northwest, said it plans to make an initial public offering of 6.75 million shares of common stock by the end of this month.

Goldman, Sachs & Co. and Shearson Lehman Brothers are the lead underwriters for the offering which is expected to net $75.2 million for Meyer. Of the shares being sold, 2.25 million are being sold by current shareholders and 4.5 million by the company.

The shares are expected to sell for $18 each. After the offering, the company will have 21.3 million shares outstanding.

Meyer, which devotes about 19% of the showroom space in 67 of its stores to home improvement and garden items and generates an estimated $220 million from these departments, said the primary purpose of returning to the public market only five years after it went private would be to reduce its outstanding debt.



High interest on debt

Meyer currently has $133.9 million in long term debt. The company said it would use the cash it obtains from the stock offering to cut that amount to $61.7 million.

In particular, the company said it would rid its balance sheet of some bonds it has been carrying at 17% interest.

The cash infusion should cut the firm's long term debt from a current level of 67.3% of total capitalization to a new level of 30.2%.

Additional growth capital

The cash will allow the company to continue its drive to open larger stores, and expand older ones.

In a filing last month with the SEC, Meyer said that by the end of January, 1988, it plans to open four additional stores, adding 513,000 sq. ft. to its total retail space. It also plans to remodel six of its current stores, adding 129,000 sq. ft. The company did not reveal the locations of the new stores. Meyer now operates units in the states of Washington, Oregon, Idaho, Montana, Utah and Alaska. The company remodeled 15 stores last year, up from nine the year before and only four in 1983.

According to its SEC filing, Meyer's capital expenditures came to $46.2 million last year. While such expenditures are expected to be about the same amount this year, they are projected to rise to $65 million in 1987.

(Continued on page 61)

Housewares shows scramble to fill void

NATIONAL REPORT — Ever since the National Housewares Manufacturers Association (NHMA) announced earlier this year that it would hold only one show a year beginning in 1987, there has been a proliferation of small housewares shows.

Currently, four other housewares expositions have been announced, the latest being the Housewares Industry Tradeshow produced by Thalheim Expositions of Manhasset, N.Y., and HouseWorld Expo, by The Interface Group, Needham, Mass.

The Housewares Industry Tradeshow will be held in New York City, June 26 to 29, beginning in 1988. HouseWorld Expo will he held in Las Vegas, Nev., from August 31 to Sept. 2, 1987.

Prior to that, Bill Glasgow, president of William T. Glasgow Inc., South Holland, Ill., announced that he is sponsoring the Summer Housewares Show at Chicago's McCormick Place next July 20 to 22 "as a continuation" of the NHMA's July's event. Tower Conference Management Co., Wheaton, Ill., will hold a Fall Housewares Show next Sept. 27-30 in Atlantic City, N.J.

Clearly, the shows would not have been developed had the NHMA not decided to hold one show a year. In fact, Glasgow said he "picked up the dates almost the minute the NHMA decided to go to one show a year." He is using McCormick Place East, the main building which has 750,000 sq. ft. gross.

Ron Fippinger, show manager for The Interface Group and formerly executive director of the NHMA, asserted that many groups have tried for years to develop other housewares shows but failed. Now the arena is wide open, but the contenders agree there isn't room for all of them.

Fippinger noted that HouseWorld's goal is to be "the second best event" after the NHMA's annual April show, held in Chicago's McCormick Place.

HouseWorld Expo, formed officially on Sept. 15, will be an international show. The others are national in scope. Held at the Las Vegas Convention Center, Fippinger said Houseworld Expo already has 300,000 sq. ft. of exhibition space reserved and is drawing up plans for an additional 150,000 sq. ft.

(Continued on page 62)

Sentry adds two new members

By an NHCN staff editor

DES PLAINES, Ill. — Sentry Hardware, the wholesalers marketing group here, in recent weeks has been able to corral two new distributors that give Sentry greater market penetration into the Midwest and South.

The additions, which bring Sentry's total membership to 17, also took some of the sting out of last month's decision by one of Sentry's largest wholesalers, Geo. Worthington Co., to file for Chapter 11 protection against $33 million in liabilities and 5,000 creditors.

This bad news was tempered by the new additions to Sentry's organization of Blish-Mize Co. and S&T Hardware Co. Blish-Mize, based in Achison, Kan., supplies hardware to around 1,700 to 2,000 dealers in Arkansas, Colorado, Kansas, Missouri, Nebraska, Oklahoma, Texas and Wyoming. The company stocks 35,000 stockkeeping units and ships from its 235,000-sq.-ft. DC in Atchison.

(Continued on page 61)

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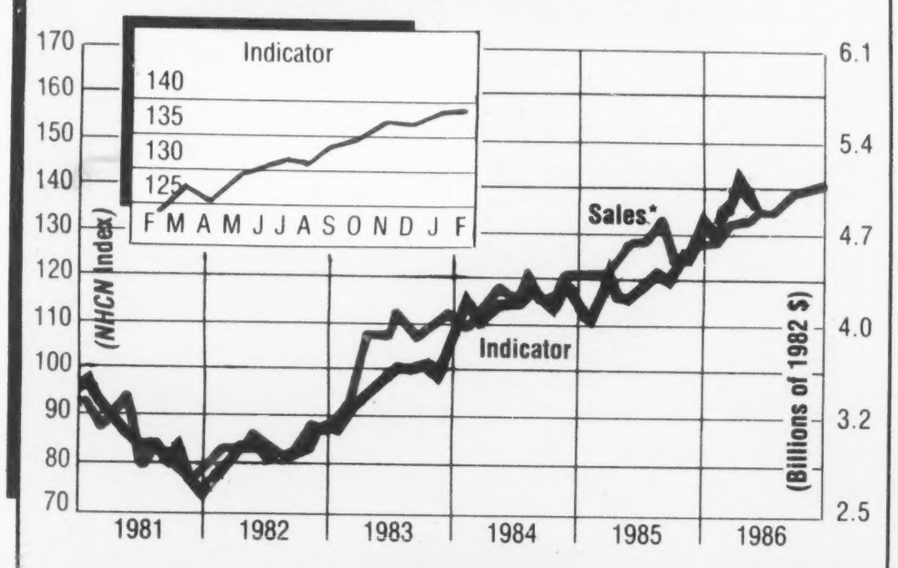

*—Monthly retail trade building materials, hardware and supplies in (1982 $).

Indicator—represents an estimate of future building material retail sales (adjusted for inflation) relative to Jan. 1980, based on current levels of housing starts and resales, personal income, interest rates and related data.

The NHCN *Leading Indicator is projecting an expansion in building material sales in the first quarter of 1987. Resales were up in the second and third quarters and will increase building material demand.*

Strong home resale markets to spark 1987 material sales

By Richard E. Mount
Special to NHCN

Strong home resale markets will be a major cause of growth in building material sales this year and next. Building material sales will increase 11% this year and 9% in 1987, strong gains in a generally lackluster economy. Removing the influence of inflation, unit sales will rise 11% in 1986 and 5% in 1987.

Richard E. Mount

Recent resale patterns

Resales were the strongest housing market in 1985, up 12% versus 8% for new sales and a 1% decline in single-unit starts. The sharp rise in resales increased retail sales of building materials in the first half of 1986 as buyers upgraded homes. Now that buyers have settled into these homes, major improvements are beginning.

Resales did not participate in the boom in housing activity during the first half of 1986. The sharp drop in mortgage rates that followed the fall off in energy prices, encouraged buyers to look at new, rather than existing homes. New home sales in March reached a historic high with April not far behind. But resales remained 1% below the fourth quarter pace of 1985.

Resales are beginning to rise now while new home sales decline. Resales, in the last two months, were up. August was the highest level in the 1980's. New home sales, in contrast, have been down for five consecutive months, with August 36% below March.

Resales will increase 7% in 1986 and 1% in 1987. Interest

(Continued on page 13)

General Business Conditions

	1985		1986				1987				
	QIII	QIV	QI	QII	QIII	QIV	QI	QII	1985	1986	1987
***NHCN* Leading Sales Indicator** (January 1980 = 100)	121.0	123.4	124.7	127.9	132.1	136.6	138.8	139.9	118.5	130.3	140.8
General Economic Outlook											
GNP $1982 Billion	3,603.8	3,622.3	3,655.9	3,661.4	3,678.0	3,688.1	3,697.8	3,720.9	3,585.2	3,670.9	3,735.1
Real Disposable Income $1982 Bil.	2,524.7	2,540.7	2,581.2	2,625.8	2,619.5	2,629.3	2,642.9	2,655.8	2,528.0	2,614.0	2,662.9
Housing Permits (000 SAAR)	1,762	1,741	1,834	1,822	1,750	1,650	1,550	1,610	1,739	1,767	1,621
Housing Starts (000 SAAR)	1,688	1,773	1,988	1,908	1,820	1,720	1,650	1,700	1,742	1,859	1,709
New Home Sales (000 SAAR)	711	696	789	789	675	700	710	710	686	738	730
Resales (000 SAAR)	3,360	3,500	3,257	3,470	3,560	3,425	3,425	3,450	3,216	3,428	3,449
Prime Rate %	9.5	9.5	9.4	8.6	7.8	7.4	7.0	6.8	9.9	8.3	6.7
Mortgage Rate % (HUD)	12.1	11.8	10.8	10.1	10.0	9.9	9.5	9.3	12.5	10.2	9.4
Consumer Price Index (1967 = 100)	323.0	326.5	327.7	326.3	328.6	331.4	334.0	337.0	322.1	328.5	338.8
Producer Price Index (1967 = 100)	293.1	296.4	292.0	288.0	288.3	290.3	292.7	295.6	293.9	289.7	297.2
New Housing Affordability 1980-100)	120.7	120.5	128.6	127.1	128.9	132.2	133.4	135.4	117.6	129.2	134.8
Residential Alterations and Repairs											
Current **Total $ millions SAAR**	77,800	90,600	84,965	87,508	90,543	92,903	94,567	96,069	80,267	88,980	97,902
Maintenance and Repair	33,200	39,800	37,586	38,675	39,781	40,907	41,683	42,100	35,358	39,237	42,855
Additions and Alterations	29,800	30,400	29,910	30,833	31,861	32,543	32,869	33,754	28,775	31,287	34,305
Major Replacements	14,700	20,400	17,470	18,001	18,901	19,453	20,015	20,215	16,134	18,456	20,742
Constant **Total Millions $1977 SAAR**	45,368	51,857	48,150	49,100	50,300	51,100	51,500	51,800	46,985	49,663	52,513
Maintenance and Repair	19,385	22,780	21,300	21,700	22,100	22,500	22,700	22,700	20,719	21,900	22,988
Additions and Alterations	17,400	17,400	16,950	17,300	17,700	17,900	17,900	18,200	16,775	17,463	18,400
Major Replacements	8,583	11,676	9,900	10,100	10,500	10,700	10,900	10,900	9,491	10,300	11,125
Retail Trade Activity											
Current **Total $ millions SAAR**	1,399,296	1,388,316	1,404,932	1,419,968	1,433,024	1,464,688	1,486,994	1,511,810	1,373,941	1,430,653	1,522,036
Total Minus Automobile	1,066,248	1,082,244	1,095,360	1,098,648	1,098,004	1,125,010	1,143,813	1,163,970	1,061,148	1,104,255	1,173,224
Building Material, Hardware, Garden Supply, Mobile Home	74,328	78,024	83,904	85,208	80,365	81,592	84,105	85,539	74,062	82,767	85,920
Building Material and Supply	53,736	56,976	61,180	62,612	59,101	55,400	60,879	63,310	53,841	59,573	65,173
Hardware	11,116	11,572	11,416	11,404	11,719	11,889	12,211	12,441	11,092	11,607	12,477
Constant **Total Millions $1982 SAAR**	1,308,139	1,288,244	1,306,567	1,337,066	1,336,000	1,352,000	1,359,000	1,368,000	1,282,772	1,332,908	1,370,250
Total Minus Automobile	1,003,997	1,009,867	1,027,361	1,048,995	1,038,000	1,053,000	1,060,000	1,068,000	997,299	1,041,839	1,071,000
Building Material, Hardware, Garden Supply, Mobile Home	70,743	73,605	78,763	82,242	76,800	77,200	78,790	79,340	70,215	78,751	79,290
Building Material and Supply	51,144	53,749	57,422	60,432	56,200	51,800	56,360	58,030	51,035	56,464	59,410
Hardware	10,580	10,918	10,717	11,008	11,200	11,250	11,440	11,540	10,507	11,044	11,515
Building Materials % of Total Less Automobile ($Current)	5.04	5.26	5.59	5.70	5.38	4.92	5.32	5.44	5.07	5.39	5.56

Data: Department of Commerce
Bureau of Labor Statistics
National Association of Realtors
Department of Housing and Urban Development
October 2, 1986

The Home Center Industry Outlook runs in two parts, in alternate issues. The first part includes latest data on the General Economic Outlook; Residential Alterations & Repairs; and Retail Trade Activity. The second part includes latest data on regional building material & supply store sales; and industrial production. The *NHCN* Leading Indicator runs every issue.

SAAR—Seasonally Adjusted Annual Rate
p—projection
NHCN chart
Source: Merrill Lynch Economics for *NHCN*

McLendon Hardware battles for market share in Wash.

By an NHCN staff editor

RENTON, Wash. — Officials with McLendon Hardware, founded 60 years ago in this Seattle suburb, say they're worried.

HomeClub opened a new 100,000-sq.-ft. membership warehouse a few miles south of two-unit McLendon Hardware's flagship store here in late August.

"I'm apprehensive," said vp and coo Dorothy Thompson. "Our cost for a five-gallon container of roof coating is $10.77. We sell it in our store for $16.99. At HomeClub, it's sold for $10.99."

Although McLendon Hardware is "just like an institution," Thompson said she believes that loyalty only goes so far. "Customers are fickle.

"We have employees who can tell you how to rewire a house. A lot of customers pick our brains. Then they buy at Pay 'N Pak."

To respond to the market's emerging price sensitivity, McLendon is "lowering our prices," she said. It also is continuing a longtime tradition of giving customers who pay cash a 10% discount.

A circular printed on Aug. 21, a week before the HomeClub grand opening in Kent, Wash., sums up the McLendon philosophy: "McLendon has consistently sold the best quality name-brand products at a fair price, not always the low-end nor the cheapest, but the best quality and value for your money."

The store's 50,000 stockkeeping unit mix includes lumber, but Thompson said it is stocked for the customer's "convenience. Since 1981 we have dabbled in lumber to make us a one-stop location for the customer. We don't make any money on it."

McLendon has two stores: the 60,000-sq.-ft. flagship in Renton and a 70,000-sq.-ft. outlet in Sumner, Wash., north of Tacoma. It owns a 30,000-sq.-ft. warehouse. Combined, the stores generate annual sales of more than $12 million, Thompson said. Gross margins are about 30%.

McLendon has 85 employees, many of whom are members of the founding owners' family. Dorothy Thompson's brother, Robert McLendon, is president and ceo.

McLendon Hardware has been a community fixture. Its predecessor was U.S. Junk, a 10,000-sq.-ft. store founded in 1926 by Moses James "Pop" McLendon, the father of six children, ages 45 to 65 today, who now run the business.

U.S. Junk sold used mattresses and fruit jars to survive during its early years. Thompson said customers used the fruit jars as moonshine containers, "but we didn't know that."

U.S Junk became McLendon Hardware in 1950.

Pop died in 1979 at age 86, six years after his wife, Helen-Sixteen grandchildren and two great-grandchildren are on the store payroll.

The McLendon brood includes 18 grandchildren and 15 great-grandchildren.

In 1971, McLendon opened a second, 20,000-sq.-ft. store in Sumner. It was replaced by the current 70,000-sq.-ft. outlet in 1982.

In June 1981, a $3 million fire, caused by a short circuit in an overloaded extension cord, destroyed the 30,000-sq.-ft. wood-and-brick Renton store. Eighteen months later, the new Renton store was open for business.

Since the fire, annual sales have increased by 5% to 1. That compares with growth rates of up to 20% a year during the 1970s and early 1980s.

Despite the slower growth pace and increased market competition, Thompson said she is optimistic. The family is looking for "eight to 10 acres" to build a third unit on the north side of Seattle. Thompson said it will be 100,000 sq. ft., the same size as HomeClub's nearby outlet.

Strong resale market to boost material sales

(Continued from page 12)

rates are headed lower through the first half of next year. The slow economy and a probable discount rate cut by the Federal Reserve Bank by year's end will reduce the cost of borrowed funds. Mortgage rates are headed for single digits by the end of this year and will be down to 9.25% in mid-1987.

Demographics remain a driving force for resales. The end of the post-war baby boomers are establishing families and starter homes are needed. The rise in households with single parents and nonrelated individuals persists, requiring additional units. As long as the economy does not constrict, employment will expand, allowing for additional household formation.

Demand for housing will continue to shift from new homes to resales through 1987. Average resale prices are about $10,000 less than new. Unless interest rates drop sharply, as they did in the first half of the year, resales will be preferred because of lower prices. Problems in energy and agricultural states persist, putting many homes on the market at prices well below new. The tax proposal lowers marginal tax rates, raising the after-tax cost of housing. Some taxpayers will prefer less costly resales over smaller new homes.

Building material sales

Building material sales will increase 11% this year and 9% in 1987, sustained by the 12% gain in resales in 1985 and continued strength through 1987. Building material demand climbs in the period immediately following the purchase of an existing home as minor improvements are made, and continues for one to two years after, when major renovations are begun.

For building material retailers, stores situated in areas having healthy resale activity will enjoy stronger business during the next two years.

Richard E. Mount is senior economist and manager of housing and construction material research for Merrill Lynch Economics.

Tag-A-Bin™ another powerful Leviton merchandising system delivers plus sales

Your Silent Salesmen – Whether you sell bulk or carded, there's an attractive, versatile and effective Leviton merchandising system that's designed to suit your needs. They give your store a clean, customized and organized look and help move more products from the shelf to the shopper.

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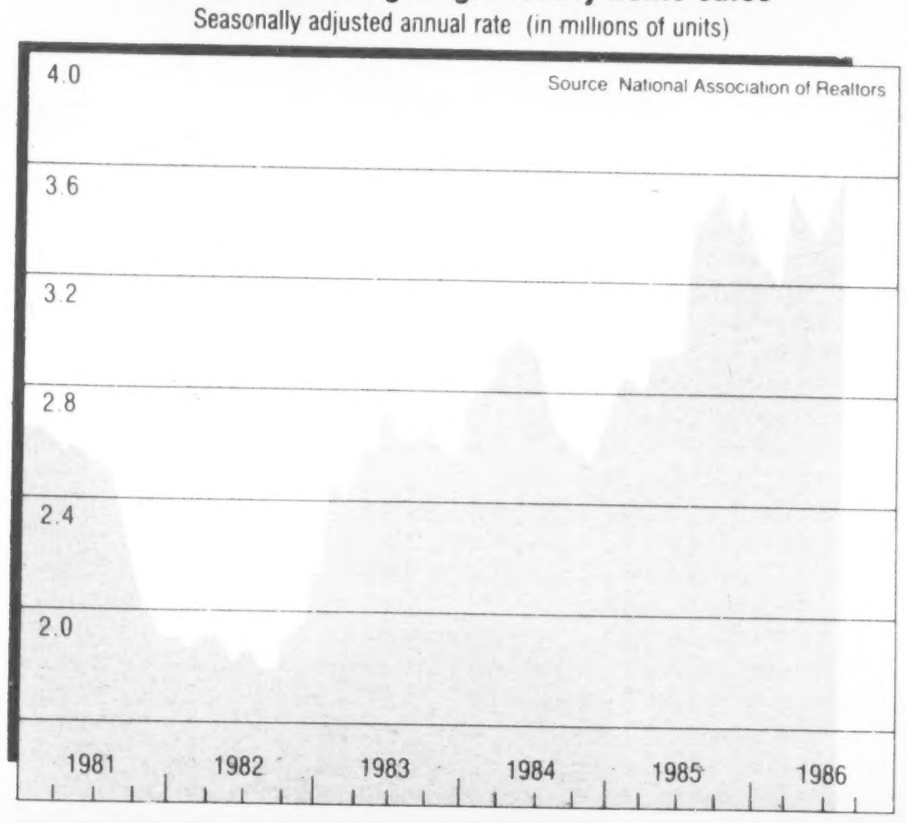
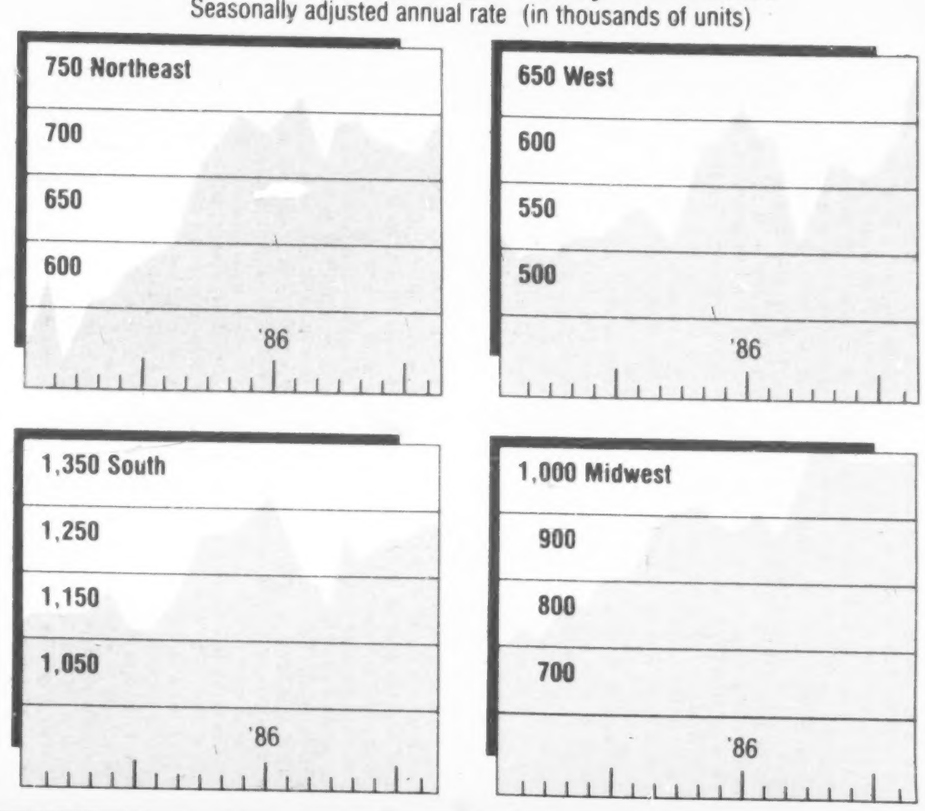
HOUSING WATCH

National existing single-family home sales
Seasonally adjusted annual rate (in millions of units)



Regional existing single-family home sales
Seasonally adjusted annual rate (in thousands of units)



Housing resale rate surges 7% in August

By an NHCN staff editor

NATIONAL REPORT — The resale home market surged 7% in August, to a seasonally adjusted annual rate of 3.69 million units, the highest level in seven years, according to the National Association of Realtors (NAR).

Not since October 1979, when the rate was 3.77 million units, has the resale pace been this high, the NAR reported.

The August resale rate was 7.6% ahead of its August 1985 pace.

NAR president Clark E. Wallace attributed the August increase to lower mortgage rates, which were at about the 10% level for fixed-rate loans, and consumer confidence in the housing market now that the mortgage deduction will be maintained under the new tax system.

NAR economists are predicting a 6.5% increase in the number of resales this year, or about 3.4 million units. Next year, the association said the pace should decline slightly, a reaction to the lower tax brackets that will increase the after-tax costs of home ownership.

Median Sales Price
(in thousands of dollars)

	Aug[p]	July[r]	June	May
U.S.	80.0	80.3	82.6	83.2
Northeast	103.6	102.2	109.7	104.9
South	77.0	77.3	80.0	82.9
Midwest	63.4	64.1	65.2	64.6
West	103.3	104.1	103.0	104.7

[p]-preliminary [r]-revised

Source: National Association of Realtors

Housing activity increased in all four regions in August, the largest of which was recorded in the West. Activity in the 13-state region rose a whopping 20.3% from July to 710,000 units, seasonally adjusted. The resale pace is also 20.3% above the August 1985 level when 590,000 resales were recorded.

Home prices fell in August in the West, down $800 to $103,300, which is still a 4.9% increase from a year ago.

Nationally, home prices fell $300 to $80,000 for a median-priced resale home, 3.6% above the August 1985 pace.

The picture was different in the Northeast. There the cost of the median priced resale home rose 14% from a year ago to $103,600, up $1,400 from July.

The resale home pace in the Northeast also grew in August, by 6%, to 710,000 units, seasonally adjusted, a 7.6% increase from August 1985, the NAR reported.

Resale activity in the Midwest outpaced the Northeast in August, rising 8.4% to 1.03 million units, 9.6% above August 1985. The median cost of a previously occupied single-family home jumped 6.6% from last August, to $63,400, but fell $700 from July.

Sales activity in the South showed some positive signs, inching up 2.4% in August to 1.26 million units, seasonally adjusted, 1.6% ahead of the sales pace from the corresponding month one year ago.

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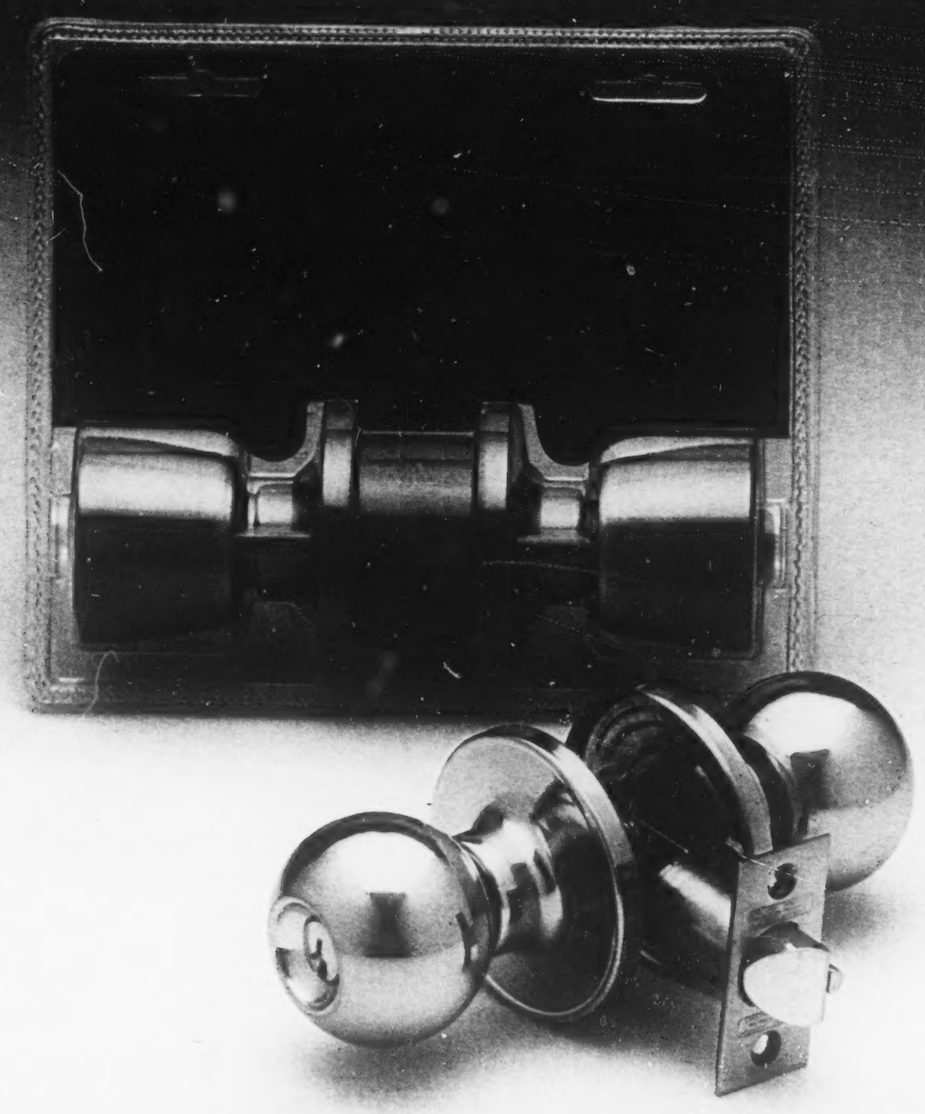

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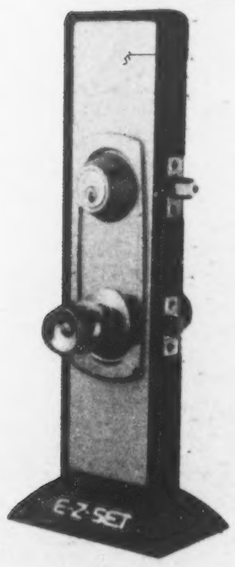

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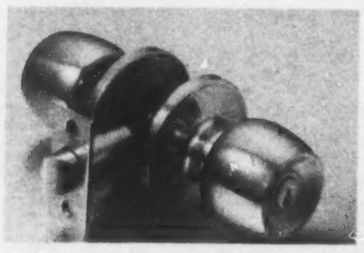

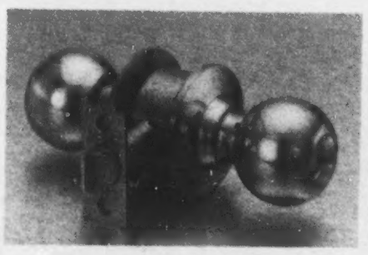

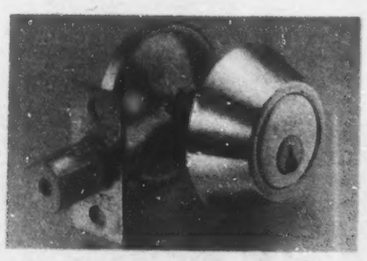

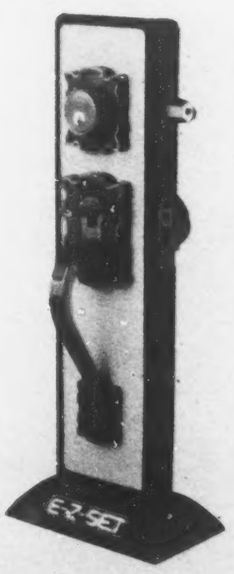

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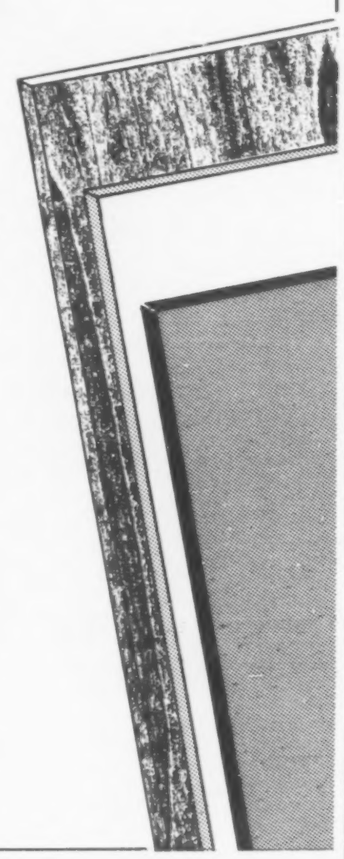

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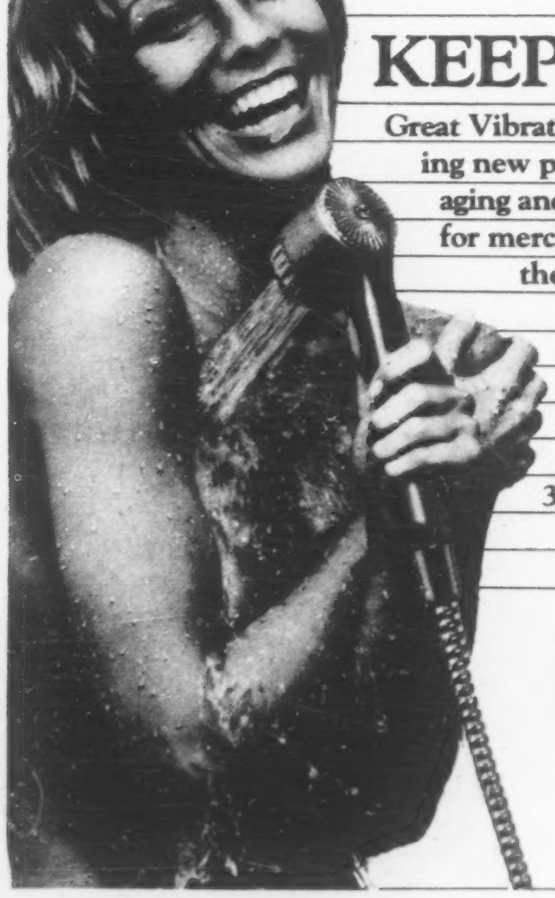

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LUMBER REPORT

Supply and price fluctuate wildly due to tariff fears and strikes

(Continued from page 1)

in which people are waiting to see if prices are going to go up or down."

Evidence for Sabbeth's view was present in *Random Lengths*, the lumber trading newsletter that reported in its September 26 issue that mill orders in the Pacific Northwest for the week September 13 to 20 had dropped nearly 25% to 144 from 197.

Sabbeth suggested that one reason people are taking short positions or hesitate to buy is the possibility that there may be no tariff at all, which, he believes, would cause a "cave-in in prices." However, the notion that there will not be a tariff is one shared by only a tiny minority of lumber and building materials operators.

"Prices are high already and people are saying, 'hey, if there is no tariff we're going to see the prices cave in,' " Sabbeth said. "Why pay an inflated price just because we think there's going to be a tariff?"

Invoices 'subject to tariff'

Prices have been fluctuating wildly for the past two months, according to home center lumber buyers. At the same time, many buyers report that they are beginning to see on their invoices for the first time quotes that are "subject to a tariff" or guarantee "duty free" quotes.

Dan Benigno, lumber buyer for Gee Lumber, Chicago, recalled that when he recently searched the market for Hem fir 2x4's, he received seven price levels ranging from $258 to $292 per thousand bd. ft.

Benigno said the wide price fluctuations for Hem fir, essentially an American forest product, have soared since the strike in British Columbia. The threat of a tariff is also fueling some Canadian mills efforts to lock in American buyers before it's too late.

"I must get 50 calls a week in here from different mills in Canada trying to peddle their product and their main theme is buy now before the tariff," Benigno said.

Shortage in shakes

While Benigno said he has not experienced any difficulty finding the products he wants, other lumberyards and home centers have been caught short, especially for cedar shakes and shingles, which were hit by a 35% tariff in May (*NHCN*, June 16). Even though the tariff was initially thought to blunt demand, home builders were willing to pay the increase in price. But the strike in British Columbia, where the majority of North America's cedar mills are located, wiped out supplies.

"Cedar bevel siding has become quite impossible to get," said Don Parson, of East Coast Lumber Building Supplies, East Hampstead, N.H. "We do quite a bit of business with that and for the first six months of this year, we sold 1.5 million lineal feet of red cedar but that product has virtually dried up."

One interim step East Coast Lumber has taken to replace cedar products is to buy California redwood shingles, a much more expensive item, but one that is more plentiful on the market.

In Elgin, Ill., where Beth Stewart, the lumber buyer for Seigle's Home and Building Center had a $38,000 truck load of cedar on order with a Canadian supplier since July, the British Columbian strike and impending tariff have made the buying of lumber a particularly cautious enterprise.

Stewart said she was glad that the cedar supplier agreed to sell Seigles the truck only if the strike ends before the winter. Otherwise, she said, the company would be stuck sitting on six months worth of inventory.

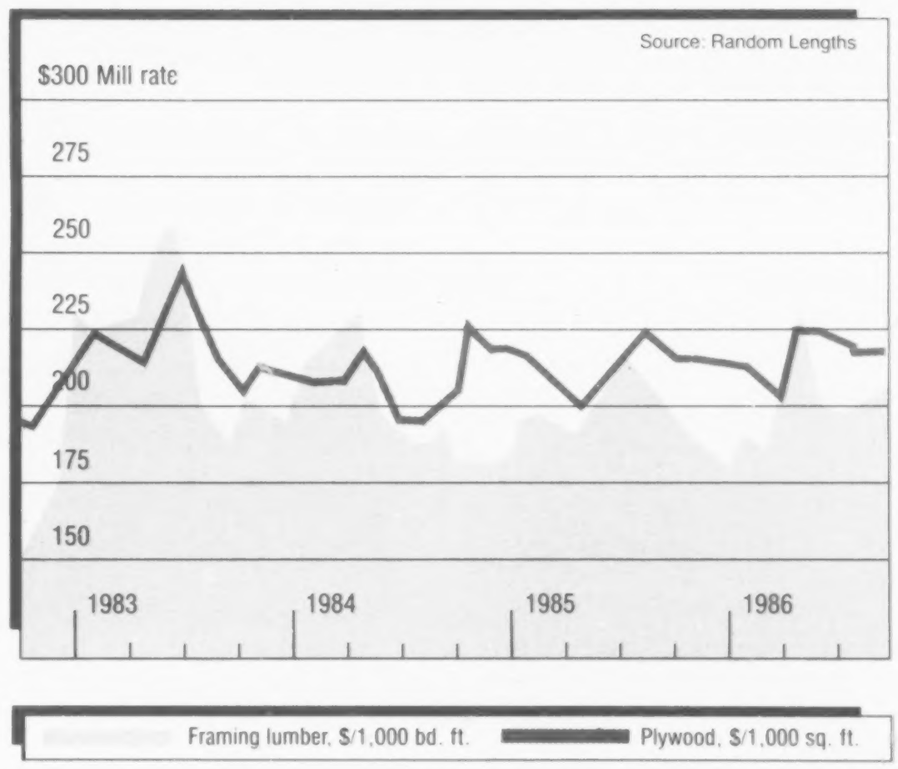
In addition, Stewart pointed out that recent flooding in the Midwest is beginning to take its toll on contractors who are starting to renege on purchases. So the net effect is that lumber prices are starting to fall, she said.

In the meantime, she said the company has been buying its lumber from the Pacific Northwest, stocking up on Hem fir and Douglas fir products whose prices have also risen recently.

"Just like the cedar shake and shingle manufacturers raised their prices, its going to happen when lumber gets the tariff," Stewart said. "Quite truthfully, they've already done it. While Hem fir and Doug fir haven't been as bad as spruce, they still raised the prices $30, $40 and $50 a thousand because that's what the market was doing."

Commodity close-up

Composite lumber/plywood price profile
(per thousand board feet)



Despite widespread anxiety over a tariff on lumber and the supply disruptions from Canadian mill strikes, lumber and plywood trading prices rose modestly through the summer. The framing lumber price rose to $211 a thousand board feet in September from $199 in July. Plywood rose slower from $222 a thousand square feet in September from $219 in July.

Futures

LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's; $ per 1,000 bd. ft.
Two weeks ended 9/25

	High	Low	Close (Settle)	Previous Week	Open* Interest	Contract High	Contract Low
Nov.	$172.30	$162.50	$167.60	$170.40	3,338	$186.90	$146.00
Jan. '87	$167.20	$160.30	$164.60	$164.80	1,224	$182.00	$150.00
March	$166.80	$161.30	$164.00	$164.70	440	$180.50	$153.00
May	$167.50	$162.00	$164.50	$166.00	125	$179.00	$155.50
July	$168.00	$163.00	$164.50	$166.00	39	$177.50	$155.10
Sept.	$168.00	$163.50	$165.00	$166.10	23	$177.90	$163.50
Nov.	$166.00	$161.40	$163.20	—	6	$166.00	$161.40

Total Contract Vol. (Through 9/25): 17,044 **Previous Two Weeks: 17,267**
Total Open Interest (As of 9/25): 5,196 **Previous Week: 6,041**
Cash Price: $195.02 **Previous Week: $205.80** **Year Ago: $152.88**

CME—Chicago Mercantile Exchange
*Figures for Thursday, 9/25
Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

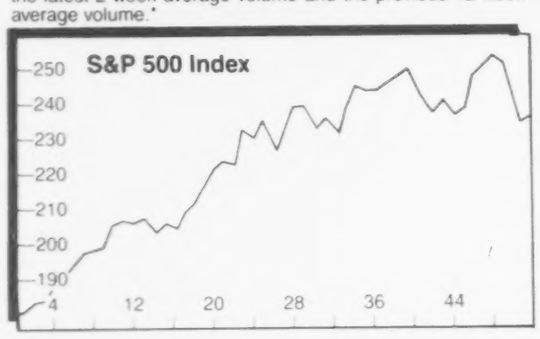
FINANCIAL NEWS

The home center retailer and manufacturer stock market indices are a measurement of the changes in aggregate market value compared to their value on Feb. 1, 1985, which has been set to equal 100 on the index. Aggregate market value is the sum of each stock's price multiplied by its number of shares outstanding, adjusted to eliminate the effects of additions or deletions of companies to the *NHCN* stock list.

Most Active Stocks

Company & Market		Total 2-Week Volume	Volume Trend Change	2-Week Price Change
10-3-86		(100)	%	%
Mor-Flo Inds	M	787	509.8	- 12.5
Handyman	A	1,066	508.8	47.9
Std Brd Pnt	N	15,779	351.5	22.5
Masco Corp	N	34,810	200.0	- 1.5
Svc Merchandise	M	60,499	184.2	- 1.1
Scotty's Inc	N	1,826	162.5	.0
Erb Lumber	M	649	158.7	18.9
Georgia-Pacifc	N	51,054	145.3	4.2
Mich General	A	3,300	144.5	- 20.0
Pope & Talbot	N	1,049	139.7	1.9

The Volume Trend Change is the per cent difference between the latest 2-week average volume and the previous 12-week average volume.*



Price Movement

Company & Market		2-Weeks Ended 10-3-86	2-Week Price Change	Total 2-Week Volume
Winners		$	%	(100)
Handyman	A	44.75	47.9	1,066
Std Brd Pnt	N	25.88	22.5	15,779
Erb Lumber	M	15.75	18.9	649
SW Forest Ind	N	16.25	8.3	6,495
Stanley Works	N	26.25	7.1	3,524
Manville Cp	N	2[illegible]	5.3	7,494
Certain-teed	N	29[illegible]	5.3	1,171
Natl Lumber	M	[illegible]	5.3	435
Stanline Inc	M	10.[illegible]	5.1	218
Champ Intl	N	26.25	5.0	23,530
Losers		$	%	(100)
Mich General	A	2.00	- 20.0	3,300
Mor-Flo Inds	M	12.25	- 12.5	787
Zayre Corp	N	21.88	- 11.2	31,778
Home Depot	N	16.88	- 7.5	7,661
Natl Hardgoods	M	8.50	- 5.6	105
Wickes Cos	A	4.25	- 5.6	49,305
Payless Cash	N	17.13	- 5.5	10,177
USG Corp	N	41.13	- 5.5	22,652
Allegheny Int	N	19.13	- 4.4	7,103
Hechinger A	M	16.25	- 4.4	5,849

National Home Center News

HOME CENTER MARKET SUMMARY

Stock Market

Company and Market		2-Weeks Ended 10-03-86	Price 2-Weeks Change Amt.	Price 2-Weeks Change Pct.	Price 2-Week Range High	Price 2-Week Range Low	Price 52-Week Range High	Price 52-Week Range Low	Volume 2-Weeks Shares Traded Total	Volume 2-Weeks Shares Traded % Out	Volume 12-Week Avg. Vol. As % Out	Volume Trend Change
-		$	$	%	$	$	$	$	(100)	%	%	%
Retailers												
Color Tile	M	31.25	.13	.4	31.38	31.13	31.38	18.00	8,510	8.97	7.62	17.7
Erb Lumber	M	15.75	2.50	18.9	16.50	12.75	19.25	6.00	649	1.94	.75	158.7
Forest City Ent	A	28.88	- .50	- 1.7	29.75	28.75	33.50	22.00	66	.08	.04	100.0
Grace W R	N	46.88	- .38	- .8	48.13	45.38	60.75	35.50	12,390	2.98	2.12	40.6
Handyman	A	44.75	14.50	47.9	46.00	30.38	46.00	21.88	1,066	4.14	.68	508.8
Hechinger A	M	16.25	- .75	- 4.4	17.00	15.75	23.59	12.81	5,849	5.35	3.71	44.2
Hechinger B	M	18.75	.00	.0	19.00	18.50	23.59	12.81	354	.22	.26	- 15.4
Home Depot	N	16.88	- 1.38	- 7.5	18.75	16.50	21.75	10.50	7,661	3.04	1.67	82.0
INTERCO Inc	N	40.25	.50	1.3	40.75	39.38	47.63	31.38	3,450	1.21	1.12	8.0
K mart Cp	N	46.63	.63	1.4	48.75	44.75	57.38	31.13	47,225	3.75	2.23	68.2
Lowe's Cos	N	24.00	- .38	- 1.5	26.50	23.75	41.50	20.75	7,914	2.02	1.78	13.5
Mich General	A	2.00	- .50	- 20.0	2.63	1.63	5.25	1.63	3,300	2.91	1.19	144.5
Natl Hardgoods	M	8.50	- .50	- 5.6	8.88	8.50	9.31	5.00	105	.78	.86	- 9.3
Natl Lumber	M	5.00	.25	5.3	5.63	4.75	7.00	4.00	435	.77	.43	79.1
Pay N Pak	N	10.50	.13	1.2	11.25	10.38	19.38	9.50	2,404	2.40	2.01	19.4
Payless Cash	N	17.13	- 1.00	- 5.5	18.88	16.88	27.50	13.50	10,177	2.94	1.58	86.1
Scotty's Inc	N	13.88	.00	.0	14.25	13.13	18.13	12.38	1,826	1.26	.48	162.5
Sears, Roebuck	N	41.13	1.13	2.8	42.50	39.00	50.38	31.75	67,624	1.85	1.09	69.7
Svc Merchandise	M	11.25	- .13	- 1.1	11.75	9.75	15.00	8.25	60,499	18.16	6.39	184.2
Std Brd Pnt	N	25.88	4.75	22.5	27.00	20.50	27.00	18.75	15,779	13.95	3.09	351.5
Supermkts Gen	N	28.00	1.13	4.2	28.00	25.50	32.25	20.31	3,681	.96	.72	33.3
Wickes Cos	A	4.25	- .25	- 5.6	4.50	4.13	7.00	4.00	49,305	2.78	2.14	29.9
Wolohan Lumber	M	7.88	.13	1.6	8.13	7.63	10.75	5.25	897	1.53	1.78	- 14.0
Zayre Corp	N	21.88	- 2.75	- 11.2	25.88	21.25	43.88	21.25	31,778	5.39	3.70	45.7
Wholesalers												
Lewis Palmer	M	9.00	.00	.0	9.00	8.75	9.88	6.63	1,241	3.16	1.35	134.1
Stanline Inc	M	10.25	.50	5.1	10.50	9.50	12.75	6.13	218	1.35	1.67	- 19.2
Manufacturers												
Allegheny Int	N	19.13	- .88	- 4.4	20.88	18.75	28.75	11.38	7,103	6.60	3.52	87.5
Am Standard	N	38.50	.00	.0	40.13	38.38	46.88	29.63	12,192	3.24	1.66	95.2
Am Woodmark	M	10.88	- .13	- 1.1	11.50	10.50	14.75	10.00	1,094	1.78	NC	NC
Armstrng Wrld	N	54.00	2.50	4.9	54.50	50.50	69.88	33.75	7,493	3.11	1.52	104.6
Black & Decker	N	16.13	.13	.8	16.88	15.38	25.25	14.50	20,109	3.47	1.99	74.4
Boise Cascade	N	58.38	1.88	3.3	59.13	56.13	61.50	39.63	8,872	3.03	2.11	43.6
Certain-teed	N	29.88	1.50	5.3	30.00	28.25	38.50	22.38	1,171	.62	.94	- 34.0
Champ Intl	N	26.25	1.25	5.0	26.75	24.38	29.75	20.25	23,530	2.49	1.77	40.7
DeSoto Inc	N	37.88	.88	2.4	38.00	36.88	41.38	31.50	467	.98	.65	50.8
Emhart Corp	N	31.75	- .63	- 1.9	33.50	30.75	42.63	26.38	5,821	1.91	.80	138.8
Georgia-Pacifc	N	36.88	1.50	4.2	37.38	34.00	37.38	20.63	51,054	4.93	2.01	145.3
Insilco Corp	N	19.75	- .63	- 3.1	20.63	19.25	24.75	16.63	3,831	1.95	1.09	78.9
La Pacific	N	27.00	.50	1.9	27.50	25.13	30.13	17.47	5,240	1.42	1.18	20.3
Macmillan Bloedel	M	26.50	1.00	3.9	26.50	25.50	28.63	12.47	141	.05	.05	.0
Manville Cp	N	2.50	.13	5.3	2.63	2.25	8.88	2.00	7,494	3.12	1.81	72.4
Masco Corp	N	24.00	- .38	- 1.5	25.88	23.50	34.50	15.50	34,810	2.70	.90	200.0
Mor-Flo Inds	M	12.25	- 1.75	- 12.5	13.50	12.00	19.25	12.00	787	3.11	.51	509.8
Newell Co	N	25.00	- .13	- .5	26.25	24.38	36.75	17.13	1,349	1.20	1.35	- 11.1
Owens Corning	N	78.00	1.00	1.3	78.63	77.00	82.50	32.75	23,988	8.05	12.48	- 35.5
Ply-Gem	A	11.00	- .13	- 1.1	11.75	10.63	15.50	10.09	3,144	4.28	1.85	131.4
Pope & Talbot	N	19.88	.38	1.9	20.25	19.63	24.75	17.25	1,049	1.75	.73	139.7
Potlatch Cp	N	56.50	1.00	1.8	57.38	54.75	61.00	34.00	960	.74	.99	- 25.3
Sherwin-Wms	N	24.13	- .38	- 1.5	24.38	22.75	32.25	17.19	7,164	1.55	1.35	14.8
SW Forest Ind	N	16.25	1.25	8.3	16.38	14.88	17.50	9.88	6,495	6.41	2.97	115.8
Stanley Works	N	26.25	1.75	7.1	27.88	24.44	30.84	18.84	3,524	.84	.72	16.7
Thos Inds	N	19.13	.88	4.8	19.25	18.00	26.75	16.44	661	.73	.69	5.8
USG Corp	N	41.13	- 2.38	- 5.5	44.00	40.13	46.50	18.50	22,652	3.35	1.98	69.2
Walter, Jim	N	43.63	- 1.63	- 3.6	47.50	42.75	54.63	26.09	7,323	2.53	2.38	6.3
Waxman Ind	M	13.75	.00	.0	14.00	12.88	17.13	10.25	570	1.81	1.86	- 2.7
Weyerhaeuser	N	35.13	.13	.4	36.00	33.75	40.25	24.75	24,708	1.90	1.16	63.8

Financial Update

Company and Market		P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	Latest Report New Report	Latest Report Period	Latest Report Date Ended	Latest Quarter Revenue Amt.	Latest Quarter Revenue Chg.	Latest Quarter Net Income Amt.	Latest Quarter Net Income Chg.	Latest Quarter E.P.S. Amt.	Latest Quarter E.P.S. Chg.	Year-to-Date Revenue Amt.	Year-to-Date Revenue Chg.	Year-to-Date Net Income Amt.	Year-to-Date Net Income Chg.	Year-to-Date E.P.S. Amt.	Year-to-Date E.P.S. Chg.
-		-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Retailers																			
Color Tile	M	19.8	.00	.0	.....	fiscal	06-86	107.0	9.4	4.9	22.5	.52	18.2	387.1	11.5	14.9	12.0	1.58	9.0
Erb Lumber	M	9.1	.00	.0	.....	6 mos.	06-86	60.5	13.9	2.2	- 8.3	.67	3.1	95.6	20.4	1.9	- 5.0	.57	3.6
Forest City Ent	A	26.3	.30	1.0	.....	6 mos.	07-86	43.3	- 19.1	6.4	88.2	.80	86.0	131.3	3.2	6.6	83.3	.83	84.4
Grace W R	N	14.4	2.80	6.0	.....	6 mos.	06-86	1410.5	- 26.1	86.4	108.7	2.06	148.2	2661.0	- 23.7	83.3	8.3	1.98	27.7
Handyman	A	19.4	.20	.4	.....	6 mos.	06-86	50.2	- 2.3	2.2	- 12.0	.85	- 14.1	112.8	- .6	2.0	- 60.0	.79	- 60.1
Hechinger A	M	NA	.16	1.0	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger B	M	22.6	.06	.3	.....	6 mos.	07-86	162.1	25.4	8.4	16.7	.27	12.5	299.0	22.6	13.3	20.9	.43	13.2
Home Depot	N	26.8	.00	.0	.....	6 mos.	07-86	263.5	51.2	7.2	188.0	.28	180.0	486.1	52.2	12.3	179.5	.48	166.7
INTERCO Inc	N	13.3	1.60	4.0	.....	3 mos.	05-86	579.2	- 1.7	14.4	28.6	.46	27.8	579.2	- 1.7	14.4	28.6	.46	27.8
K mart Cp	N	20.5	1.48	3.2	.....	6 mos.	07-86	5979.0	9.5	118.4	58.3	.88	51.7	11191.4	7.2	210.0	57.5	1.58	51.9
Lowe's Cos	N	15.2	.40	1.7	.....	6 mos.	07-86	657.8	10.4	21.2	1.4	.54	- 6.9	1191.8	13.7	32.6	- .6	.85	- 6.6
Mich General	A	NE	.00	.0	.....	6 mos.	06-86	120.0	.8	(2.6)	NE	(.22)	NE	211.2	2.0	(8.5)	NE	(.75)	NE
Natl Hardgoods	M	19.8	.00a	.0	.....	6 mos.	07-86	10.9	5.8	.4	100.0	.25	25.0	17.4	2.4	.4	33.3	.28	33.3
Natl Lumber	M	NE	.00	.0	.....	*	07-86	NC	NC	NC	NC	NC	NC	72.7	NC	(.7)	NC	(.12)	NC
Pay N Pak	N	16.2	.40	3.8	NEW	6 mos.	08-86	108.7	20.1	1.1	- 63.3	.11	- 63.3	213.8	23.4	3.4	- 33.3	.34	- 33.3
Payless Cash	N	13.9	.16	.9	.....	9 mos.	08-86	418.8	10.4	13.4	8.1	.39	8.3	1122.1	11.1	31.4	16.3	.91	13.8
Scotty's Inc	N	14.9	.52	3.7	NEW	fiscal	06-86	134.6	11.8	3.8	- 30.9	.26	- 33.3	493.9	8.9	13.5	- 22.9	.93	- 27.9
Sears, Roebuck	N	11.8	1.76	4.3	.....	6 mos.	06-86	10750.2	9.3	284.9	7.3	.77	6.9	20140.5	8.3	480.2	- 1.8	1.29	- 2.3
Svc Merchandise	M	NE	.08	.7	.....	6 mos.	06-86	626.6	14.8	(9.3)	- 100.0	(.27)	- 100.0	1083.7	21.4	(38.5)	NE	(1.15)	NE
Std Brd Pnt	N	21.6	.58	2.2	.....	6 mos.	07-86	89.2	- 6.6	4.8	- 11.1	.42	- 12.5	167.0	- 5.3	8.1	- 20.6	.71	- 22.0
Supermkts Gen	N	15.6	.28	1.0	.....	6 mos.	07-86	1361.4	5.8	19.9	226.2	.52	2.0	2698.7	7.8	32.2	79.9	.86	2.4
Wickes Cos	A	15.7	.00	.0	.....	6 mos.	07-86	1111.8	32.4	20.8	114.4	.13	160.0	2106.9	36.3	36.5	748.8	.15	NE
Wolohan Lumber	M	11.3	.16	2.0	.....	6 mos.	06-86	55.1	27.0	1.8	38.5	.30	25.0	83.2	25.1	1.7	70.0	.28	55.6
Zayre Corp	N	14.5	.32	1.5	.....	6 mos.	07-86	1212.7	35.4	9.0	- 43.8	.15	- 44.4	2257.2	33.9	25.7	- 17.6	.43	- 20.4
Wholesalers																			
Lewis Palmer	M	29.0	.28b	3.1	.....	6 mos.	07-86	46.6	24.3	.4	100.0	.12	100.0	80.4	14.0	.5	150.0	.14	133.3
Stanline Inc	M	11.6	.28	2.7	.....	9 mos.	07-86	16.4	18.0	.5	66.7	.26	8.3	43.8	5.5	1.1	22.2	.64	- 8.6
Manufacturers																			
Allegheny Int	N	NE	.00	.0	.....	6 mos.	06-86	445.7	- 10.5	(1.6)	- 100.0	(.85)	- 100.0	912.9	- 8.9	10.3	- 31.3	(.44)	NE
Am Standard	N	7.6	1.60	4.2	.....	6 mos.	06-86	819.4		80.1	114.7	2.12	123.2	1534.4	7.7	130.3	126.2	3.42	132.7
Am Woodmark	M	11.1	.00	.0	.....	3 mos.	07-86	28.4	16.9	1.8	63.6	.30	36.4	28.4	16.9	1.8	63.6	.30	36.4
Armstrng Wrld	N	12.1	1.44	2.7	.....	6 mos.	06-86	487.0	13.3	33.8	4.6	1.40	4.5	917.9	13.8	56.7	12.9	2.35	12.4
Black & Decker	N	24.4	.40	2.5	.....	9 mos.	06-86	416.5	12.0	2.8	NE	.03	NE	1353.3	5.9	25.3	- 31.1	.46	- 36.1
Boise Cascade	N	18.5	1.90	3.3	.....	6 mos.	06-86	945.1	- .8	31.3	- 1.3	1.07	.0	1861.7	- 2.5	56.3	- 13.4	1.90	- 13.2
Certain-teed	N	10.3	.90	3.0	.....	6 mos.	06-86	286.1	- 1.7	16.2	- 1.8	.85	1.2	541.1	- .5	26.7	8.1	1.41	12.8
Champ Intl	N	18.1	.52	2.0	.....	6 mos.	06-86	1096.4	- 31.4	50.5	16.6	.51	21.4	2218.7	- 31.6	72.5	- 16.8	.71	- 16.5
DeSoto Inc	N	12.7	1.40	3.7	.....	6 mos.	06-86	131.5	2.8	4.9	- 23.4	1.02	- 23.9	228.3	3.3	7.3	1.4	1.53	1.3
Emhart Corp	N	11.8	1.40	4.4	.....	6 mos.	06-86	527.9	17.4	19.8	- 25.8	.67	- 30.2	1037.5	19.3	37.8	- 10.2	1.32	- 13.2
Georgia-Pacifc	N	23.9	.80	2.2	.....	6 mos.	06-86	1929.0	7.5	86.0	28.4	.79	29.5	3533.0	4.7	116.0	.0	1.04	.0
Insilco Corp	N	14.3	1.00b	5.1	.....	6 mos.	06-86	197.1	- 14.6	11.5	8.5	.57	.0	377.4	- 11.8	18.3	10.2	.91	1.1
La Pacific	N	22.0	.80b	3.0	.....	6 mos.	06-86	394.0	14.2	24.5	390.0	.67	415.4	716.6	16.3	25.9	250.0	.71	255.0
Macmillan Bloedel	M	NA	.50b	NA	.....	6 mos.	06-86	698.7	16.8	49.1	529.5	1.31	3175.0	1311.9	15.4	78.3	652.9	1.99	NE
Manville Cp	N	NE	.00	.0	.....	6 mos.	06-86	490.6	- 2.0	25.2	23.5	.79	33.9	946.1	1.3	37.2	14.1	1.03	22.6
Masco Corp	N	17.0	.36	1.5	.....	6 mos.	06-86	327.0	27.7	51.6	42.1	.40	29.0	635.0	30.9	96.7	34.7	.75	21.0
Mor-Flo Inds	M	13.5	.01	.1	.....	6 mos.	06-86	48.3	- 9.9	.8	- 52.9	.32	- 53.6	100.7	- 5.0	1.5	- 55.9	.60	- 55.2
Newell Co	N	11.8	.70	2.8	.....	6 mos.	06-86	95.1	16.4	5.1	6.3	.46	- 13.2	189.6	17.6	9.2	15.0	.90	2.3
Owens Corning	N	16.5	1.40	1.8	.....	6 mos.	06-86	925.4	17.2	34.9	72.8	1.16	70.6	1791.5	22.0	57.8	19.9	1.93	18.4
Ply-Gem	A	12.6	.12	1.1	.....	6 mos.	06-86	59.1	38.1	2.4	166.7	.30	100.0	109.7	31.4	4.4	120.0	.56	60.0
Pope & Talbot	N	20.9	.80	4.0	.....	6 mos.	06-86	76.1	- 10.7	3.6	89.5	.60	100.0	150.2	- 10.8	3.1	- 24.4	.51	- 23.9
Potlatch Cp	N	17.3	1.68	3.0	.....	6 mos.	06-86	249.9	.5	19.5	85.7	1.40	129.5	483.2	.0	33.1	50.5	2.35	83.6
Sherwin-Wms	N	14.5	.50	2.1	.....	6 mos.	06-86	598.3	- 1.4	30.5	7.0	.65	4.8	1101.0	.2	37.4	9.4	.80	6.7
SW Forest Ind	N	NE	.00	.0	.....	6 mos.	06-86	158.5	- 11.4	(4.0)	NE	(.25)	NE	301.0	- 13.8	(12.0)	NE	(1.19)	NE
Stanley Works	N	13.6	.76	2.9	.....	6 mos.	06-86	402.6	29.1	20.5	6.8	.49	6.5	726.8	23.4	35.2	6.0	.84	3.7
Thos Inds	N	10.3	.68b	3.6	.....	6 mos.	06-86	77.1	- 2.3	4.3	10.3	.47	4.4	147.9	- 3.2	7.5	5.6	.83	5.1
USG Corp	N	10.9	1.12	2.7	.....	6 mos.	06-86	752.6	16.6	76.2	23.5	1.15	25.0	1374.7	11.4	127.9	22.7	1.96	25.6
Walter, Jim	N	16.4	1.40	3.2	.....	9 mos.	05-86	NC	NC	(11.5)	- 100.0	(.16)	- 100.0	626.9	- 62.3	38.5	- 47.5	1.26	- 53.2
Waxman Ind	M	15.3	.08	.5	.....	fiscal	06-86	27.7	30.0	1.0	100.0	.32	39.1	97.8	18.3	2.8	27.3	.90	1.1
Weyerhaeuser	N	24.4	1.30	3.7	.....	6 mos.	06-86	1497.4	6.9	68.4	14.6	.46	12.2	2804.1	4.8	118.4	20.9	.77	18.5

All data are based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

Last 52 Weeks

General Field Footnotes
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure
a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column

P.E. Ratio—Price earnings ratio
E.P.S.—Earnings per share

Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

*Two-week average volume equals the number of shares traded divided by the number of shares outstanding during the latest two-week period. Twelve-week average volume equals the number of shares traded divided by the number of shares outstanding over the previous 12 weeks.

All earnings data and all related calculations using earnings data use primary earnings from total operations and after taxes. Earnings are before extraordinary items, when such items are applicable.

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219